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COMMONWEALTH OF VIRGINIA

STATE CORPORATION COMMISSION

AT RICHMOND, SEPTEMBER 22, 2000

APPLICATION OF

ALLEGHENY ENERGY SUPPLY COMPANY, LLC CASE NO. PUE000404

For a license to conduct business as a competitive service provider in electric retail access pilot programs

ORDER GRANTING LICENSE TO PROVIDE ELECTRIC SERVICE

On August 21, 2000, Allegheny Energy Supply Company, LLC ("AESC" or "Applicant"), completed an application for a license to conduct business as a competitive service provider. AESC stated that it seeks to provide electricity to all classes of retail customers participating in the retail access pilot programs of Appalachian Power Company d/b/a American Electric Power ("AEP-VA") and Virginia Electric and Power Company ("Virginia Power").

On August 24, 2000, the Commission issued an Order for Notice and Comment which docketed the case; required notice of the application to be published on or before September 1, 2000, in newspapers of general circulation within geographical areas approved by the Commission for each pilot program in which AESC seeks to participate; provided for the receipt of comments from

the public on or before September 11, 2000; and required Commission Staff to analyze the reasonableness of AESC's application and present its findings in a Staff Report on or before September 15, 2000.

AESC filed proof of publication of notice on September 13, 2000. No comments from the public on AESC's application were received. On September 15, 2000, the Staff Report concerning AESC's fitness to provide competitive electric service was filed. The Staff concluded that AESC satisfies the financial and technical fitness requirements for licensure, and the Staff recommended that a license be granted to AESC for the provision of electric service to all classes of retail customers in the AEP-VA and Virginia Power pilot programs.

On September 19, 2000, AESC filed a response requesting that licensure be approved. AESC's response did not comment on the Staff Report.

NOW UPON CONSIDERATION of the application, the Staff Report, AESC's response, and the applicable law, we find that AESC's application to provide electric service should be granted.

Accordingly, IT IS ORDERED THAT:

(1) Allegheny Energy Supply Company, LLC, hereby is granted License No. PE-6 to provide competitive electricity supply service to all classes of retail customers in conjunction

with the retail access pilot programs of Appalachian Power Company d/b/a American Electric Power and Virginia Electric and Power Company.

- (2) This license to act as a competitive service provider is granted subject to the provisions of the Interim Rules

 Governing Electric and Natural Gas Retail Access Pilot Programs,

 20 VAC 5-311-10 et seq. ("Interim Rules"), this Order, and applicable statutes, orders, and rules.
- (3) This license shall expire upon termination of the respective pilot programs unless otherwise ordered by the Commission. This license is not valid authority for the provision of any product or service not identified within the license itself and for which such a license is required.
- (4) Failure of Allegheny Energy Supply Company, LLC, to comply with the Interim Rules, the provisions of this Order, other Federal Energy Regulatory Commission or State Corporation Commission orders and rules, or other applicable state and federal law may result in an enforcement action by the Commission including, without limitation, the revocation, suspension, or modification of the license granted herein, the refusal to renew such license, the imposition of appropriate fines and penalties, or such other additional actions as may be necessary to protect the public interest.

(5) This case shall remain open for the consideration of any subsequent amendments or modifications to this license.